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FTB NOTICE 2004 – 3

July 2, 2004

**SUBJECT: REQUEST FOR PUBLIC COMMENT --
DISCUSSION DRAFT OF PROPOSED CALIFORNIA
CODE OF REGULATIONS, TITLE 18, SECTION 25106.5-11**

The Franchise Tax Board staff has prepared a discussion draft of a new proposed regulation to be adopted under Revenue and Taxation Code section 25106.5. The new proposed regulation addresses the procedures by which California franchise taxpayers that are members of the same combined reporting group may elect to file a group return.

To broadly inform the public about this new proposed regulation, the Franchise Tax Board staff is making the draft of the new proposed regulation and a brief drafting explanation available to the public for review and comment prior to commencement of the formal regulatory process.

For copies of the discussion draft of the new proposed regulation or for further information regarding this notice, contact Colleen Berwick at the Franchise Tax Board, Legal Department, P.O. Box 1720, Rancho Cordova, CA 95741-1720; Telephone (916) 845-3306; Fax (916) 845-3648; E-Mail: Colleen.Berwick@ftb.ca.gov. The draft language and the drafting explanation are also available at the Franchise Tax Board's website at <http://www.ftb.ca.gov>.

Written comments may also be addressed to Ms. Berwick and should be received by the Franchise Tax Board no later than August 16, 2004. The department has tentatively scheduled a symposium to discuss the discussion draft of the new proposed regulation starting at 10:00 a.m. on August 31, 2004, in Room 1040 of Phase II of the Franchise Tax Board headquarters building in Rancho Cordova, California. **If no public interest is voiced and no written comments are received by August 16, 2004, the tentatively scheduled symposium will be canceled. Notice of cancellation, if applicable, will be published on the Franchise Tax Board's website on August 16, 2004.** If you have any questions regarding the symposium, please contact Ms. Berwick.

If the discussion draft of the new proposed regulation is later officially noticed under the Administrative Procedure Act, any comments received pursuant to this notice or at the symposium will be entered into the regulation record. Participants may also comment at the symposium without name attribution. A summary of the symposium will be made available to all participants, and will also be entered into the regulation record, if any.

If you are interested in being added to the mailing list for the proposed rulemaking action that may follow the symposium, please advise Ms. Berwick at the above address and she will add your name to the mailing list.

The principal author of this notice is Craig Swieso of the Franchise Tax Board, Legal Department. For further information regarding this notice, contact Mr. Swieso at the Franchise Tax Board, Legal Department, P.O. Box 1720, Rancho Cordova, CA 95741-1720.